



Washington's Tolling Program

Lessons Learned from Project Delays

Joint Transportation Committee
October 9, 2013

Susan Hoffman, Principal Performance Auditor



WASHINGTON
TROY KELLEY
STATE AUDITOR



What lessons can be learned from WSDOT's development and implementation of statewide all-electronic tolling?

Complicating factors

- WSDOT's comprehensive accounting requirements were new to the tolling industry
- Internal project stakeholders disagreed:
 - Purchasing a toll collection service
 - Developing an IT and accounting system to collect tolls
- WSDOT feared losing federal grant funds if they did not meet deadlines



What we found

1. Fully assess and manage project risks

Identified risks were not fully incorporated

2. Proactively manage and monitor the work

Ineffective project and vendor management

3. Hold the vendor accountable to the contract

Delayed assessing damages



1 – Risks not fully integrated into planning

WSDOT recognized some project risks but...

- Consensus scoring diminished the advice of subject-area experts
- Proposal scoring was not weighted to align with identified risks



1 – Identified risks were not fully integrated into planning

Category	Maximum Points
Qualifications	100
Program Delivery Approach	350
Technical Approach (350 total)	
• Toll Operations	87.5
• Customer Service	87.5
• Accounting/Financial	87.5
• Information Technology	87.5
Subtotal for qualifications	800
Price	200
Total	1,000

High risk areas should be given added weight in scoring



1 – Identified risks were not fully integrated into planning

Category	Maximum Points	Winning Vendor
Qualifications	100	25
Program Delivery Approach	350	42
Technical Approach (350 total)		
• Toll Operations	87.5	22
• Customer Service	87.5	13
• Accounting/Financial	87.5	4.5
• Information Technology	87.5	35
Subtotal for qualifications	800	141.5
Price	200	200
Total	1,000	341.5

*High risk area
received lowest
score*



2 – Ineffective project management

WSDOT developed a sound project management plan, but follow-through was ineffective

- Project staff response to vendor problems: reduce reviews, take on some of the vendor's work
- Some WSDOT managers ignored the plan, dealing directly with the vendor
- Changes to the project management structure created more confusion, for staff and vendor alike



3 – Delayed assessing damages

The project contract tied damages to major milestones

- WSDOT feared applying damages could:
 - Risk losing federal funding
 - Lead vendor to withdraw
- In 2011, WSDOT reduced vendor payments by \$1.5 million
- In June 2012, WSDOT and the vendor reached a financial settlement valued at up to \$6.4 million



The Toll Division was created in 2009, responsible for development and operation of tolling systems

- The Toll Division lacked clear roles, responsibilities, and decision-making authority
- The Toll Division lacked executive support in managing the vendor
- The Toll Division lacked policies and procedures to guide the effective development and implementation of the project



Recommendations

- The Secretary ensure roles, responsibilities, and decision-making authority are clear for projects managed by the Toll Division
- The Assistant Secretary for Tolling establish policies and procedures to guide developing and implementing new tolling projects
- The Department report on its progress as required in the 2013-2015 transportation budget



Contacts

Susan Hoffman

Principal Performance Auditor

(360) 725-9719

Susan.Hoffman@sao.wa.gov

Website: www.sao.wa.gov

